

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: FCC COMPLIANCE FILINGS – INTRASTATE ACCESS TARIFFS	DOCKET NO. IAC-2014-2214
---	--------------------------

ORDER REGARDING INTRASTATE ACCESS TARIFF FILINGS

(Issued May 7, 2014)

I. BACKGROUND

In its comprehensive order reforming the Universal Service Fund and intercarrier compensation system (Transformation Order),¹ the Federal Communications Commission (FCC) established a set of reforms which, over time, will transition to a uniform national bill-and-keep regime for all telecommunications traffic exchanged between local exchange carriers (LECs). (Transformation Order, ¶¶ 650, 736.) The FCC requires a series of annual downward adjustments (effective on July 1 of each year) to access charges and various transport rates in the transition to bill-and-keep.

The annual downward adjustments are specified in 47 C.F.R. § 51.907 for price cap carriers, in 47 C.F.R. § 51.909 for rate-of-return carriers, and in 47 C.F.R. § 51.911 for competitive local exchange carriers (CLECs). Carriers are required to make filings demonstrating compliance with the required adjustments. Because the

¹ See *Connect America Fund, et al.*, WC Docket No. 10-90, et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 11-161 (rel. Nov. 18, 2011) (Transformation Order), *pets. for review pending*, *Direct Communications Cedar Valley, LLC v. FCC*, No. 11-9581 (10th Cir. filed Dec. 18, 2011) (and consolidated cases).

FCC requires that the access rate reductions be in effect by July 1, 2014, LECs will need to make their Iowa access tariff filings in May 2014.

Generally, 47 C.F.R. § 51.907(c) requires that price cap carriers reduce terminating switched end office and reciprocal compensation rates by one-third of the difference between current end office rates and \$0.0007 by July 1, 2014. For rate-of-return carriers, 47 C.F.R. § 51.909(c) requires a reduction of terminating end office and reciprocal compensation rates by one-third of the difference between current end office rates and \$0.005 by July 1, 2014. For CLECs, 47 C.F.R. § 51.911(c) requires all access reciprocal compensation rates for switched access services to be no higher than the access reciprocal compensation rates charged by the competing incumbent local exchange carrier (ILEC).

The FCC expects states to play a critical role in the transition, emphasizing that state oversight is necessary to ensure that carriers comply with both the timing of the transition and the intrastate access charge reductions. The FCC states that because rates for intrastate access traffic will remain in intrastate tariffs, the role of state commissions is to monitor compliance with the rate transition; to review how carriers reduce rates to ensure consistency with the uniform framework; and to guard against attempts to raise capped intercarrier compensation rates, as well as unanticipated types of gamesmanship.²

² Transformation Order, ¶ 813.

II. FILING INSTRUCTIONS

The Board's rules at 199 IAC 22.14 govern the filing of intrastate access tariffs, approval of access tariffs, concurrence in tariffs, the filing of resistances to access tariffs, and the Board's procedures for addressing resistances to access tariffs. To provide guidance to the industry on how carriers can comply with the Board's rules on intrastate access tariffs and the FCC reforms, the Board is issuing this informational order to discuss its tariff filing requirements and expectations in this context in advance of the July 1 date by which the next intrastate access rate revisions are required to be in effect. The Board offers the following information about what the Board expects to receive for the 2014 intrastate access tariff revision filings and when such filings should be made, along with guidance on other issues associated with the upcoming tariff filings:

1. Filing titles and dates

Filings should be made using the Board's electronic filing system (EFS) and should refer to Docket No. IAC-2014-2214. Upon receipt of a filing in EFS, the Board's Records and Information Center will assign the filing a TF docket number. In Iowa, intrastate access tariffs are typically filed with an anticipated 30-day period for review and approval. LECs shall make their filings no later than Friday, May 30, 2014, so that the Board can approve them by July 1, 2014. The Board encourages LECs to make their filings earlier than May 30, if possible.

2. Resistances

The Board's rule at 199 IAC 22.14(5)"a" provides 14 days for an interexchange carrier (IXC) or the Consumer Advocate Division of the Department of Justice (Consumer Advocate) to file a resistance to an intrastate access tariff filing. The Board will count the 14 days starting from the actual filing date. Thus, for LECs that file in advance of May 30, there will be more time prior to July 1 to resolve any issues raised in any resistance.

3. Carrier Common Line Charge

While the Board's intrastate access tariff rules allow certain carriers to increase intrastate access rates by up to three cents per minute, the FCC recently clarified that its access rate reduction rules are intended to ensure parity between interstate and intrastate access rates.³ Thus, it appears the Board's carrier common line charge can no longer be applied to terminating access rates.

4. Documentation

The July 1 access tariff revision filings must be accompanied by sufficient documentation or workpapers to allow the Board, Consumer Advocate, and affected IXC's to verify that the required reductions have been made.

5. Confidential information

In the event a carrier considers any of the documentation required for the tariff filings to be confidential, the carrier shall file both a public and a confidential version of the material using the Board's EFS according to Board rule 14.12, along with a request for confidential treatment pursuant to Board rule 1.9 and Iowa Code § 22.7.

6. Nondisclosure agreements

Because only the Board and Consumer Advocate have access to confidential information filed using EFS, there will need to be a process for interested IXC's or other affected parties to readily enter into a nondisclosure agreement (NDA) with the LEC making tariff revision filings. Any LEC filing confidential information associated with these tariff filings shall specify an NDA process in the transmittal letter that accompanies the filing.

7. LECs that concur in another tariff

A LEC that concurs in another LEC's intrastate access tariff or an association tariff must make a filing with the Board. Instead of filing revised tariff sheets, however, the concurring LEC should file a letter that indicates the name of the LEC or association in whose intrastate access tariff the LEC concurs. The letter should be filed no later than May 30, 2014.

³ See *In the Matter of Connect America Fund, Developing a Unified Intercarrier Compensation Regime*, WC Docket No. 10-90 and CC Docket No. 01-92, DA-14-434, Order (rel. Mar. 31, 2014).

8. CLECs that benchmark to an ILEC tariff

The FCC's rule at 47 C.F.R. 51.911(c) requires all CLEC access reciprocal compensation rates for switched access services be no higher than the access reciprocal compensation rates charged by the competing ILEC. As an alternative to providing rates in their intrastate access tariffs, some CLECs benchmark their intrastate access rates to the rates of the competing ILEC. A CLEC that benchmarks its rates to the access rates of a competing ILEC must still make a filing with the Board, but that filing should not include any revised tariff sheets. Instead, the benchmarking LEC should file a letter indicating the name of the competing ILEC whose rates the CLEC uses as a benchmark. The letter should be filed no later than May 30, 2014.

9. Filing date for resellers

Typically, a CLEC that resells an ILEC's local exchange service does not have an intrastate access tariff on file with the Board because the ILEC bills for intrastate access on the reseller's interexchange traffic. The reselling CLEC must make a filing with the Board, but the filing should not include revised tariff sheets. Instead, a CLEC that resells an ILEC's service must file a letter with the Board specifying the name of the ILEC that provides the CLEC with service for resale. The letter should be filed no later than May 30, 2014.

10. Already-compliant tariffs

There may be some LECs with intrastate access tariffs on file that already reflect the level of access rates required to be in effect by July 1. For example, there may be some LECs with intrastate access rates that were previously set at parity with the relevant interstate access rates. A LEC with an already-compliant intrastate access tariff must still make a filing with the Board, but the filing need not include revised tariff sheets. Instead, any LEC in this situation should file a letter explaining why its tariff is already compliant with the intended July 1 intrastate access tariff reductions. The letter should be filed no later than May 30, 2014.

11. Approval of tariffs

The Board anticipates that in most cases, Board approval of the tariff filings will be indicated by letter issued by the Board's Telecommunications Section staff. Approval letters will be issued reflecting the July 1 effective date, assuming that all outstanding resistances, objections, or concerns have been resolved. For tariff filings where resistances have not been resolved by July 1, 2014, the Board may decide to process and approve each tariff on a case-by-case basis pursuant to the Board's authority under its rule at 199 IAC 22.14.

12. Staff contact for additional information

Questions about this informational order and the process for filing tariff revisions may be directed to:

Vincent Hanrahan
Utility Analyst, Telecommunications Section
515-725-7319
vincent.hanrahan@iub.iowa.gov

III. ORDERING CLAUSE

IT IS THEREFORE ORDERED:

On or before May 30, 2014, local exchange carriers shall file intrastate access tariff revisions following the process described in the body of this Order.

UTILITIES BOARD

/s/ Elizabeth S. Jacobs

ATTEST:

/s/ Joan Conrad
Executive Secretary

/s/ Sheila K. Tipton

Dated at Des Moines, Iowa, this 7th day of May 2014.